

**FISCAL IMPACT--CONSTRUCTION
KANSAS PENN GAMING, LLC**

Construction period-months 21
Opening date May 2010

Proposer's Estimates: 2009-2010						
	<u>State</u>	<u>Cities</u>	<u>Cherokee County</u>	<u>Crawford County</u>	<u>Galena Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 8,608,982	\$ 358,708	\$ 358,708	\$ 358,708	\$ -	
Property Tax	14,625	-	922,875	-	-	
Sales/Use Tax	176,125	-	37,664	-	-	
Income Tax	-	-	-	-	-	
Developer Contributions	1,659,060	-	1,659,060	-	-	
Total	\$ 10,458,792	\$ 358,708	\$ 2,978,307	\$ 358,708	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ -	\$ 434,000	\$ -	\$ -	
Public Works	-	-	-	-	-	
Education	-	-	-	-	240,000	
Fire Protection	-	4,000	-	-	-	
EMS	-	20,000	-	-	-	
Total	\$ -	\$ 24,000	\$ 434,000	\$ -	\$ 240,000	
Surplus/(Deficit)	\$ 10,458,792	\$ 334,708	\$ 2,544,307	\$ 358,708	\$ (240,000)	
Voluntary Contributions to State and Local Governments (included above):						
1. Road/Street improvements estimated at \$1.7 million paid for by proposer.						
2. Water/sewer improvements estimated at \$1.7 million paid for by proposer.						
3. Original proposal indicated Proposer would purchase 1 fire truck and fire suppression equipment (not included above).						

Consultant's Estimates: 2009-2010						
	<u>State</u>	<u>Galena Fire District</u>	<u>Cherokee County</u>	<u>Crawford County</u>	<u>Galena Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ -	\$ -	\$ -	\$ -	\$ -	
Property Tax	32,487	71,905	1,222,360	-	1,028,932	
Sales/Use Tax	2,002,575	-	566,766	-	-	
Income Tax	1,625,325	-	-	-	-	
Developer Contributions	1,659,060	-	1,659,060	-	-	
Total	\$ 5,319,447	\$ 71,905	\$ 3,448,186	\$ -	\$ 1,028,932	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	
Public Works	1,659,060	-	1,659,060	-	-	
Education	-	-	-	-	5,627,544	
Fire Protection	-	-	-	-	-	
EMS	-	-	-	-	-	
Total	\$ 1,659,060	\$ -	\$ 1,659,060	\$ -	\$ 5,627,544	
Surplus/(Deficit)	\$ 3,660,387	\$ 71,905	\$ 1,789,126	\$ -	\$ (4,598,612)	

Consultant's Comments:

1. Proposer's estimate for County property taxes includes School District tax revenue.
2. Construction and operating revenue and costs included in 2009-2010 estimates. 2011 is used as first full year of operations.
3. Developers Contribution to State Public Works is \$1.7 million and to Sumner County Public Works, \$1.7 million.
As MBA's analysis does not estimate costs associated with these departments, the analysis uses the costs provided by the developer.

**FISCAL IMPACT--12 MONTHS OPERATING
KANSAS PENN GAMING, LLC**

Proposer's Estimates-1st Full Year						
	<u>State</u>	<u>Cities</u>	<u>Cherokee County</u>	<u>Crawford County</u>	<u>Galena Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 13,774,372	\$ 573,932	\$ 1,147,864	\$ 573,932	-	
Property Tax	23,400	-	1,476,600	-	-	
Sales/Use Tax	281,801	-	60,263	-	-	
Income Tax	-	-	-	-	-	
Developer Contributions	-	-	-	-	-	
Total	\$ 14,079,573	\$ 573,932	\$ 2,684,727	\$ 573,932	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ -	\$ 252,000	\$ -	\$ -	
Public Works	-	-	-	-	-	
Education	-	-	-	-	120,000	
Fire Protection	-	4,200	-	-	-	
EMS	-	20,900	-	-	-	
Total	\$ -	\$ 25,100	\$ 252,000	\$ -	\$ 120,000	
Surplus/(Deficit)	\$ 14,079,573	\$ 548,832	\$ 2,432,727	\$ 573,932	\$ (120,000)	
Voluntary Contributions to Community and Governments:						

Consultant's Estimates: 1st Full Year						
	<u>State</u>	<u>Galena Fire District</u>	<u>Cherokee County</u>	<u>Crawford County</u>	<u>Galena Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 8,168,640	\$ -	\$ 680,720	\$ 340,360	\$ -	
Property Tax	26,062	57,683	980,598	-	825,426	
Sales/Use Tax	98,219	-	27,798	-	-	
Income Tax	899,709	-	-	-	-	
Developer Contributions	-	-	-	-	-	
Total	\$ 9,192,629	\$ 57,683	\$ 1,689,115	\$ 340,360	\$ 825,426	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ -	\$ 404,583	\$ -	\$ -	
Public Works	-	-	-	-	-	
Education	-	-	-	-	1,534,646	
Fire Protection	-	-	-	-	-	
EMS	-	-	-	-	-	
Total	\$ -	\$ -	\$ 404,583	\$ -	\$ 1,534,646	
Surplus/(Deficit)	\$ 9,192,629	\$ 57,683	\$ 1,284,532	\$ 340,360	\$ (709,219)	

Consultant's Comments:

Penn National	GGR Estimate	\$ 57,393,218	Visitors/Day	2,363
Consultants	GGR Estimate	\$ 34,036,000	Visitors/Day	1,361

FISCAL IMPACT--3 YEAR SUMMARY*
KANSAS PENN GAMING, LLC

* 2 Years Construction + 1 Year Operating

Proposer's Estimates						
	<u>State</u>	<u>Cities</u>	<u>Cherokee County</u>	<u>Crawford County</u>	<u>Galena Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 22,383,354	\$ 932,640	\$ 1,506,572	\$ 932,640	\$ -	
Property Tax	38,025	-	2,399,475	-	-	
Sales/Use Tax	457,926	-	97,927	-	-	
Income Tax	-	-	-	-	-	
Developer Contributions	1,659,060	-	1,659,060	-	-	
Total	\$ 24,538,365	\$ 932,640	\$ 5,663,034	\$ 932,640	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ -	\$ 686,000	\$ -	\$ -	
Public Works	-	-	-	-	-	
Education	-	-	-	-	360,000	
Fire Protection	-	8,200	-	-	-	
EMS	-	40,900	-	-	-	
Total	\$ -	\$ 49,100	\$ 686,000	\$ -	\$ 360,000	
Surplus/(Deficit)	\$ 24,538,365	\$ 883,540	\$ 4,977,034	\$ 932,640	\$ (360,000)	

Consultant's Estimates						
	<u>State</u>	<u>Galena Fire District</u>	<u>Cherokee County</u>	<u>Crawford County</u>	<u>Galena Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 8,168,640	\$ -	\$ 680,720	\$ 340,360	\$ -	
Property Tax	58,549	129,588	2,202,958	-	1,854,358	
Sales/Use Tax	2,100,794	-	594,564	-	-	
Income Tax	2,525,034	-	-	-	-	
Developer Contributions	1,659,060	-	1,659,060	-	-	
Total	\$ 14,512,076	\$ 129,588	\$ 5,137,302	\$ 340,360	\$ 1,854,358	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ -	\$ 404,583	\$ -	\$ -	
Public Works	1,659,060	-	1,659,060	-	-	
Education	-	-	-	-	7,162,190	
Fire Protection	-	-	-	-	-	
EMS	-	-	-	-	-	
Total	\$ 1,659,060	\$ -	\$ 2,063,643	\$ -	\$ 7,162,190	
Surplus/(Deficit)	\$ 12,853,016	\$ 129,588	\$ 3,073,659	\$ 340,360	\$ (5,307,832)	

APPENDIX 1
BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST
FULL DEVELOPMENT

<u>YEAR</u>	<u>USE TYPE</u>	<u>SQUARE FEET CONSTRUCTED</u>	<u>ESTIMATED CONSTR. COST</u>	<u>ESTIM. CONSTR. MATERIALS COST</u>	<u>FF&E PURCHASES</u>
Year 1	Casino	-	\$ 4,807,921	\$ -	\$ -
	Dining/F&B	-	1,312,242	-	-
	Retail	-	88,145	-	-
	Admin Space	-	10,523,096	-	-
	Public Space	-	1,661,938	-	-
Subtotal		-	18,393,342	-	-
Year 2	Casino	30,000	6,016,978	3,008,489	18,509,369
	Dining/F&B	8,188	1,642,234	821,117	750,103
	Retail	550	110,311	55,156	50,386
	Admin Space	65,661	13,169,360	6,584,680	6,015,204
	Public Space	10,370	2,079,869	1,039,934	949,996
Subtotal		114,769	23,018,751	11,509,376	26,275,057
TOTAL		114,769	\$ 41,412,093	\$ 11,509,376	\$ 26,275,057

APPENDIX 1, ASSUMPTIONS:

- From licensing to opening is estimated to take 18 months (September 2008 to March 2010). Construction of Future Phases is estimated to take 12 years. For the purposes of this analysis, Future Phase is excluded.

	Sq. Footage	Other Information
Casino	30,000	900 slot machines, 30 table games
Dining/F&B	8,188	225 seat buffet, 30 seat coffee shop
Retail	550	
Admin Space	65,661	back of house and administration space
Public Space	10,370	bathrooms, hallways, gaming support areas
Total	114,769	

Source: Email of 5/5/08 from Racing and Gaming Commission taken from contract with Penn

- Information provided shows a total investment of **\$ 125,000,000**
Source: "Lottery Gaming Facility Management Contract-Exhibit D." Provided by Penn National, dated May 4, 2008.
- Construction and equipment costs are estimated using above investment amount and cost breakdown proportions provided by Penn National in its template document (land is added in year 1, building/FF&E in year 2):

	Land	Building	FF&E*	Total**
	\$ 18,393,342	\$ 23,018,751	\$ 26,275,057	\$ 67,687,151

*FF&E-furniture, fixtures and equipment.

**Total amounts do not equal investment amounts as the analysis excludes soft costs such as engineering, architecture, finance and administration costs for property tax purposes.

Source: Developer's revised application (final template).

- Construction materials cost estimated at **50%** of building costs. This cost is estimated for sales tax purposes. Source: Discussions with commercial developers in Nevada.

APPENDIX 2
ESTIMATED NUMBER OF DAILY VISITORS,
EMPLOYEES AND RESIDENTS IMPACT

<u>YEAR</u>	<u>ESTIMATED TOTAL NO. OF EMPLOYEES</u>	<u>EMPLOYEES RESIDING OUTSIDE CO.</u>	<u>NEW EMPLOYEES RESIDING IN COUNTY</u>	<u>ESTIMATED NUMBER OF NEW RESIDENTS</u>	<u>ESTIMATED NO. OF NON-LOCAL VISITORS/DAY</u>	<u>TOTAL PEOPLE ONSITE</u>
Year 3	595	161	434	656	1,335	1,838

APPENDIX 2, ASSUMPTIONS:

1. The analysis assumes approximately **595** operating employees. Construction employees are not included as they are assumed to be local employees or temporary residents who will move on to other projects. Source: Developer's revised application (final template). Employees are estimated to be spread over two shifts. As a result, one half of all employees is estimated to be onsite at any time.
2. Approximately **73%** of all employees will live in Cherokee County, based on historical work-residence data. Source: US Census Bureau. County-To-County Worker Flow Files. 2000, Kansas City Counties. Data for Cherokee County.
3. Analysis assumes new employees moving to the area will have families, resulting in more residents to the County. Family members of new employees are added using a ratio of **1.51** additional residents per new employee. Source: US Census Bureau, "State & County Quick Facts."
4. Report by Richard Wells estimated approximately **1,071** daily visitors to the development, some of which will be local residents. Will Cummings' report estimated approximately **1,651** daily visitors to the development, including local residents. The analysis uses the average of these **1,361**
 Source: "Kansas Casino Market Study" by Wells Gaming Research dated July 7, 2008 and "Projections for Likely Gaming Revenues" by Cummings Associates dated July 7, 2008.
 Penn National application estimates a penetration rate of **44.4%** with approximately **21,451** County residents in 2006. The analysis assumes number of local visitors at **9,524** or approximately **26** county visitors/day
 The analysis assumes no additional costs associated with these residents. Source: Customer penetration information from Developer's revised application (final template). Population information from US Census Bureau, "State & County Quick Facts."
5. Total new people in County at any one time estimated as follows:
50% of all commuting employees and daily visitors.
100% of all new employees and residents moving to the County.

APPENDIX 3
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

<u>YEAR</u>	<u>EST. REAL PROPERTY VALUE</u>	<u>EST. PERSONAL PROPERTY VALUE</u>	<u>CUMULATIVE PROPERTY VALUE</u>	<u>ESTIMATED ASSESSED VALUE</u>	<u>GALENA SCHOOL DIST. REVENUE</u>	<u>GALENA FIRE DIST. REVENUE</u>	<u>CHEROKEE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	\$ 18,393,342	\$ -	\$ 18,393,342	\$ 4,598,336	\$ 218,458	\$ 15,266	\$ 259,525	\$ 6,898
Year 2	23,018,751	26,275,057	68,238,951	17,059,738	810,474	56,638	962,835	25,590
Year 3	-	-	69,497,868	17,374,467	825,426	57,683	980,598	26,062
TOTAL	\$ 41,412,093	\$ 26,275,057			\$ 1,854,358	\$ 129,588	\$ 2,202,958	\$ 58,549

APPENDIX 3, ASSUMPTIONS:

1. Tax rate will remain constant at 2008 amount:

Entity-Fund	Tax Rate*
School District	\$ 47.5080 *rate per \$1,000 of assessed value.
Fire District	\$ 3.3200
County	\$ 56.4390
State	\$ 1.5000

Source: Juanita Hodgson, Cherokee County Treasurer and Brian Smith, Galena School Superintendent.

2. Properties are valued using the fair market value approach. As no comparable sales data exists and this is considered to be a "new and unique" property, the analysis uses the replacement cost approach to value these properties. Source: "A Homeowner's Guide to Property Tax in Kansas." Kansas Department of Revenue.
3. Assessed value estimated at **25%** of appraised value for both real and personal property.
 Source: Real property data from Sumner County Clerk. Personal property data from "2008 Personal Property Valuation Guide." Kansas Department of Revenue.
 Revised October 2007.
4. Appraised value is inflated 3% annually for real property and not inflated for personal property to account for depreciation.

**APPENDIX 4
SALES TAX REVENUE**

<u>YEAR</u>		<u>SQUARE FT. BUILT</u>	<u>CONSTRUCTION MATERIALS COST (\$)</u>	<u>FF&E PURCHASES</u>	<u>RETAIL SALES</u>	<u>TOTAL TAXABLE SALES</u>	<u>STATE OF KANSAS REVENUE</u>	<u>CHEROKEE COUNTY REVENUE</u>
Year 1	Casino	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Dining/F&B	-	-	-	-	-	-	-
	Retail	-	-	-	-	-	-	-
	Admin Space	-	-	-	-	-	-	-
	Public Space	-	-	-	-	-	-	-
Subtotal		-	-	-	-	-	-	-
Year 2	Casino	30,000	3,008,489	18,509,369	-	21,517,858	1,140,446	322,768
	Dining/F&B	8,188	821,117	750,103	-	1,571,220	83,275	23,568
	Retail	550	55,156	50,386	-	105,541	5,594	1,583
	Admin Space	65,661	6,584,680	6,015,204	-	12,599,884	667,794	188,998
	Public Space	10,370	1,039,934	949,996	-	1,989,930	105,466	29,849
Subtotal		114,769	11,509,376	26,275,057	-	37,784,433	2,002,575	566,766
Year 3	Casino	-	-	-	-	-	-	-
	Dining/F&B	-	-	-	1,721,797	1,721,797	91,255	25,827
	Retail	-	-	-	131,391	131,391	6,964	1,971
	Admin Space	-	-	-	-	-	-	-
	Public Space	-	-	-	-	-	-	-
Subtotal		-	-	-	1,853,187	1,853,187	98,219	27,798
TOTAL		114,769	\$ 11,509,376	\$ 26,275,057	\$ 1,853,187	\$ 39,637,620	\$ 2,100,794	\$ 594,564

APPENDIX 4, ASSUMPTIONS:

1. Sales tax rate is as follows:

Designation
5.300% State of Kansas
1.500% Cherokee County
6.800% TOTAL

Source: "All Jurisdictions and Rates in this Zip Code." Kansas Department of Revenue.

2. Materials Cost - 50% of construction cost is assumed to be materials cost.

Source: Discussion with Northern Nevada commercial contractors.

3. Retail sales based on \$ **238.89** per square foot. Source: Developer's template for first year retail revenue divided by retail square footage for the Sumner County development, retail sale estimates for Cherokee County were higher than sales for all other Kansas locations.

F&B sales based on \$ **210.28** per square foot. Source: Developer's template for first year F&B revenue divided by F&B square footage.

Entertainment sales are not estimated as the developer does not provide sales estimates in the development template.

4. Year 3 assumes first full year of operation.

APPENDIX 5
LOTTERY GAMING CONTRIBUTION REVENUE

<u>YEAR</u>		<u>ESTIMATED GAMING REVENUE</u>	<u>CHEROKEE COUNTY REVENUE</u>	<u>CRAWFORD COUNTY REVENUE</u>	<u>STATE PROB. GAMBLING REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Phase I	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	Phase I	-	-	-	-	-
Year 3	Phase I	34,036,000	680,720	340,360	680,720	7,487,920
TOTAL		\$ 34,036,000	\$ 680,720	\$ 340,360	\$ 680,720	\$ 7,487,920

APPENDIX 5, ASSUMPTIONS:

1. Estimated Gaming Revenue is an average GGR estimated in Wells and Cummings reports:

Wells GGR	\$ 28,372,000
Cummings GGR	39,700,000
Average	\$ 34,036,000

Source: "Kansas Casino Market Study" by Wells Gaming Research dated July 7, 2008 and
"Projections for Likely Gaming Revenues" by Cummings Associates dated July 7, 2008.

2. Local government revenue is estimated as follows:

Cherokee County	2%	of all lottery gaming revenues.
Crawford County	1%	of all lottery gaming revenues.
State of Kansas	22%	of all lottery gaming revenues.
State Prob. Gaming	2%	of all lottery gaming revenues.

Source: Source: SB 66.

APPENDIX 6
STATE INCOME TAX REVENUE

<u>YEAR</u>		<u>ESTIMATED PAYROLL EXPENDITURES</u>	<u>ESTIMATED PAYROLL/ EMPLOYEE</u>	<u>STATE OF KANSAS INCOME TAX REVENUE</u>
Year 1	Construction	\$ 5,066,667	\$ 42,817	\$ 812,663
	Operating	-	-	-
Subtotal		5,066,667	42,817	812,663
Year 2	Construction	10,133,333	42,817	812,663
	Operating	-	-	-
Subtotal		10,133,333	42,817	812,663
Year 3	Construction	-	-	-
	Operating	18,307,692	30,769	899,709
Subtotal		18,307,692	30,769	899,709
TOTAL		\$ 33,507,692	\$ 116,403	\$ 2,525,034

APPENDIX 6, ASSUMPTIONS:

- Estimated construction payroll is provided by the Developer at **\$ 15,200,000** during the construction phase of the project. This includes salaries only, no benefits are included.
A total of **355** construction employees are estimated over the construction period.
Source: Developer's application (final template).
- Estimated on-going operating payroll is estimated at **\$ 18,307,692** per year at full operation. This includes salaries only, no benefit costs are included.
A total of **595** employees are estimated annually.
Source: Developer's application (final template).
- Personal income tax revenue for the State is estimated as follows, using a 2007 schedule:
For a single person:
Taxable income between \$0 and \$15,000 is taxed at 3.5%
Taxable income between \$15,000 and \$30,000 is taxed at 6.25% plus the tax calculated on the first \$15,000
Taxable income over \$30,000 is taxed at 6.45% plus the tax calculated on the first \$30,000
Source: Kansas Department of Revenue. 2007 Kansas Individual Income Tax schedule.

APPENDIX 7
SUMMARY OF ESTIMATED REVENUE

<u>YEAR</u>		<u>STATE OF KANSAS</u>	<u>CHEROKEE COUNTY</u>	<u>CRAWFORD COUNTY</u>	<u>GALENA SCHOOL DIST.</u>	<u>GALENA FIRE DIST.</u>
Year 1	Property Tax	\$ 6,898	\$ 259,525	\$ -	\$ 218,458	\$ 15,266
	Sales Tax	-	-	-	-	-
	Gaming	-	-	-	-	-
	Income Tax	812,663	-	-	-	-
Subtotal		819,560	259,525	-	218,458	15,266
Year 2	Property Tax	25,590	962,835	-	810,474	56,638
	Sales Tax	2,002,575	566,766	-	-	-
	Gaming	-	-	-	-	-
	Income Tax	812,663	-	-	-	-
Subtotal		2,840,827	1,529,601	-	810,474	56,638
Year 3	Property Tax	26,062	980,598	-	825,426	57,683
	Sales Tax	98,219	27,798	-	-	-
	Gaming	8,168,640	680,720	340,360	-	-
	Income Tax	899,709	-	-	-	-
Subtotal		9,192,629	1,689,115	340,360	825,426	57,683
TOTAL		\$ 12,853,016	\$ 3,478,242	\$ 340,360	\$ 1,854,358	\$ 129,588

APPENDIX 7, ASSUMPTIONS:

1. State of Kansas revenue includes 2% gaming contribution revenue for problem gambling fund.

**APPENDIX 8
GALENA SCHOOL DISTRICT
ESTIMATED COSTS**

<u>YEAR</u>	<u>NUMBER OF NEW EMPLOYEES</u>	<u>NUMBER OF STUDENTS</u>	<u>SALARIES/ BENEFITS COSTS</u>	<u>CAPITAL CONSTRUCTION COSTS</u>	<u>SERVICES/ SUPPLIES COSTS</u>	<u>ESTIMATED TOTAL COSTS</u>
Year 1	0	0	\$ -	\$ -	\$ -	\$ -
Year 2	0	0	-	5,627,544	-	5,627,544
Year 3	434	434	1,278,871	-	255,774	1,534,646
TOTAL	434	434	\$ 1,278,871	\$ 5,627,544	\$ 255,774	\$ 7,162,190

APPENDIX 8, ASSUMPTIONS:

- Number of households is the same as New Employees Living in the County estimated in Appendix 2.
- The analysis uses a student per household ratio of **1.00** to estimate the number of new students added to the School District by this development. Source: Brian Smith, Galena School District Superintendent.
- Approximately **12** new teachers and **15** non-certified personnel will be added to service new students. Salaries and benefits for these positions are estimated as follows:

	Salaries	Annual % Growth	Benefits	Annual % Growth
Teachers	\$ 42,000	4%	\$ 4,800	5%
Non-Cert.	\$ 27,500	4%	\$ 4,800	5%

Source: Brian Smith, Galena School District Superintendent.
- New schools will be required for the increased student population. Construction costs attributed to the development are estimated at **\$ 5,000,000** Source: Brian Smith, Galena School District Superintendent. Cost is inflated 3% annually.
- Services/Supplies costs are estimated at **20%** of all salary and benefit costs.
Source: Previous fiscal impact analyses conducted by MBA.

**APPENDIX 9
SUMNER COUNTY
SHERIFF DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u>TOTAL NEW POPULATION</u>	<u># OF SWORN POSITIONS</u>	<u># OF CLERK POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	0	0	0	\$ -	\$ -	\$ -	-
Year 2	0	0	0	-	-	-	-
Year 3	1,838	1	3	231,394	147,166	26,023	404,583
TOTAL	1,838	1	3	\$ 231,394	\$ 147,166	\$ 26,023	\$ 404,583

APPENDIX 9, ASSUMPTIONS:

- Total new population includes new employees, residents of new employee households and a portion of daily visitors (see Appendix 2 for details).
- Staffing is estimated using Cherokee County's 2006 staffing ratios:

Position	Current Positions	Population	Positions/1,000
Sworn	17	21,451	0.8
Civilian	32	21,451	1.49

Source: Staffing data from US Department of Justice, Federal Bureau of Investigations. "Crime in the United States, 2006 Uniform Crime Reports." Population from US Census Bureau, "State & County Quick Facts."

- Sumner County salary and benefit information is used to estimate these costs:

Salary/Benefits	
Sworn \$	72,500
Civilian \$	30,849

*Total Cost includes salary and benefits. Salary and benefits costs are increased 4% annually.

Source: Sworn employee data from Gerald Gilkey, Sumner County Sheriff. Civilian employee information from HR Partners listings for Sumner County.

- Services/supplies and capital outlay are estimated using Sumner County data as follows:

	2006	2005	Average
Personnel Services	\$ 939,491	\$ 863,355	\$ 901,423
Contractual (CC)	126,985	96,645	111,815
Commodities (CC)*	477,795	445,184	461,490
Capital Outlay (CO)	108,784	93,967	101,376
CC % of PS	64%	63%	64%
CO % of PS	12%	11%	11%

*Includes other jail expenses, juvenile detention, reimbursements and prisoner board costs.

Source: "Sumner County, Kansas Annual Financial Report" December 31, 2006. Two-year average (2005-2006) for the Sheriff's Department.

**APPENDIX 10
GALENA FIRE DISTRICT
FIRE COST PROJECTIONS**

APPENDIX 10, ASSUMPTIONS:

1. According to Bill Hall, Fire Chief, Galena Fire District, no fiscal impact will be incurred by the Fire District for the following reasons:
 - a. Operating costs for the district, salaries and benefits, will not increase as the district is staffed by volunteer positions.
 - b. All necessary equipment will be purchased by the developer.

MBA has some concerns regarding the increased cost of supplies and replacement equipment, for the purposes of this analysis, it is assumed additional property tax revenue generated by the development will cover these costs.